

2.3

Additional Earnings

EXPLORE THE MATH

In certain jobs, people earn additional money beyond their basic wage or salary. You might have contributed to these additional earnings. If you have a pizza delivered, do you tip the delivery person? When you get a great haircut, do you give the hairdresser a tip to show your appreciation? It is common for people in service industry jobs to earn tips from satisfied customers.

Another form of additional earnings that is often related to job performance is a bonus. For example, employers may pay bonuses to staff who exceed sales targets or sign up new customers.

Some people earn extra money based on their work environment or the time of day they work. People who work in remote areas might earn an isolation allowance. People who work in potentially dangerous situations, such as members of the armed forces, may earn danger pay. If you work nonstandard hours, your employer might pay you a shift premium.

What hours would be considered non-standard?

Can you think of jobs in which shift premiums might be paid?

How else might employees earn money in addition to their basic rate of pay?

Definitions:

bonus: extra pay earned when certain conditions of employment have been met or exceeded.

shift premium: extra payment for non-standard work hours.

EARNING TIPS

People who work in restaurants usually earn some of their income in the form of tips, often paid in addition to the minimum wage. Because many people's first jobs are as servers, this is an important type of income to understand. Many people also make a lifelong career in the restaurant industry. Consider the following questions about income from tips.

1. Your restaurant gives 5% of the tips received in a shift to employees working in the kitchen. If \$2100.00 is received in tips, and there are 5 people working in the kitchen, how much will each person receive?

2. You worked a four-hour shift as a server and your customer bills totalled \$2500.00 before tips. Your rate of pay is \$10.00/h.
- If all your customers tipped you 10%, how much did you earn an hour in wages and tips?
 - If all your customers tipped you 15%, how much did you earn an hour in wages and tips?
 - If all your customers tipped you 20%, how much did you earn an hour in wages and tips?
3. Do you think certain working hours would be better for earning tips? Which hours? Why?

Example 1

Kyle works in a bookstore selling books. He also sells customers reward cards for \$30.00 that will give them a discount on future purchases. His employer gives him a bonus of 10% of the amount received if he sells more than 20 cards in a month. If his regular wages are \$1883.77 and he sells 27 reward cards one month, what will Kyle's wages be including the bonus?

Example 2

Jacob works as a stock clerk for a grocery store in Labrador City, NL. His regular pay is \$12.00 an hour, but he earns a shift premium of \$2.00 an hour for any hours he works between 5:00 pm and 8:00 am. Jacob also earns 1.5 times his pay rate in overtime for any hours he works above 35 hours a week. His timesheet is shown below.

| Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| 12:00 am – 8:00 am | 12:00 am – 8:00 am | 4:00 pm – 12:00 am | 6:00 am – 11:00 am | 6:00 am – 11:00 am | 8:00 am – 3:00 pm |

- What percentage of Jacob's weekly hours are regular hours?
- What percentage of his weekly earnings are paid at the regular rate?

To Do:

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